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DE RUEHAK #0319 0271525
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R 271525Z JAN 06
FM AMEMBASSY ANKARA
TO RUEHC/SECSTATE WASHDC 2764
INFO RUEHTA/AMEMBASSY ALMATY 2130
RUEHKB/AMEMBASSY BAKU 1312
RUEHBM/AMEMBASSY BUCHAREST 0805
RUEHMO/AMEMBASSY MOSCOW 5322
RUEHSF/AMEMBASSY SOFIA 0975
RUEHSI/AMEMBASSY TBILISI 2959
RUEHYE/AMEMBASSY YEREVAN 1179
RUCNMEM/EU MEMBER STATES COLLECTIVE
RUCPDO/DEPT OF COMMERCE WASHDC
RHEBAAA/DEPT OF ENERGY WASHINGTON DC
RHEHAAA/NSC WASHDC
RHMFISS/HQ USEUCOM VAIHINGEN GE
RUEUITH/ODC ANKARA TU//TCH//
RUEHIT/AMCONSUL ISTANBUL 9677
RUEHDA/AMCONSUL ADANA 0319

UNCLAS ANKARA 000319

SIPDIS

USDOC FOR 4212/ITA/MAC/CPD/CRUSNAK
DOE FOR CHARLES WASHINGTON

SENSITIVE
SIPDIS

EUR ALSO FOR DAS BRYZA

E.O. 12958: N/A
TAGS: [EPET](#) [ENRG](#) [ETRD](#) [TU](#) [RU](#)
SUBJECT: TURKEY NATURAL GAS CRISIS WITH IRAN

REF: ANKARA 65

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¶1. (SBU) On January 21, Iran cut its daily natural gas shipment to Turkey from almost 30 million cubic meters to 5-10 million cm (some daily fluctuation). Coming on the heels of the Russian-Ukraine gas face-off, the current gas crisis in Georgia, and cold weather and concerns in Europe, the cut-off has generated broad concern about Turkey's natural gas situation. Although on an annual basis, Iran provides 15% of Turkey's gas, the current short-fall is almost 20% of Turkey's daily requirement, because of winter variation.

¶2. (SBU) The GOT has faced strong criticism in the press for inadequate contingency planning and not taking timely steps to put in place sufficient gas storage capacity. Energy Ministry sources tell us Energy Minister Guler has been meeting with the Iranian ambassador in an attempt to resume shipment. In a long television interview January 26, Guler said the GOT has sought high level assurances from Russia that it would increase gas supply and assured the public that residential consumers would not be affected.

¶3. (SBU) In addition, BOTAS, the state-owned pipeline operator, cut gas supply to automobile producers and "interruptible" industrial and electricity generation plants -- most with fuel switching capacity. However, the GOT backed off plans for more widespread cuts to industry. For the longer term, Guler also reaffirmed plans to increase gas storage capability and to develop an LNG importing and processing capability.

¶4. (SBU) Comment: Like a comparable cut-off last year by Iran, the reasons for the cut-off are perceived as partly technical (cold weather causing problems with compressors), partly political, and partly winter energy requirements in Iran. Turkey recently cancelled a technical visit to Iran to discuss gas supply issues and has taken the contract to

international arbitration over gas price and quality issues. Although Turkish officials tell us they have grounds to pursue cancellation of the contract with Iran, they have been unwilling to pursue that step for energy supply diversification and political reasons.

¶5. (SBU) The extent of the disruption is serious, but it appears be manageable. The state pipeline company BOTAS has suffered personnel changes over the years, reducing experience and technical capacity, and reducing its capacity to confidently put in place technical algorithms for this kind of crisis. The fact that the Energy Ministry and President Erdogan immediately stepped into the fray is an indication of BOTAS' institutional weakness.
WILSON